HCFA MEDICARE • MEDICAID Health Care Financing Administration

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HEALTH watch

HCFA Advisory Panel on Medicare Education Holds First Meeting

The Health Care Financing Administration's Advisory Panel on Medicare Education, which expands the agency's use of outside experts, held its inaugural meeting on Feb. 15, 2000 at the Washington Court Hotel in Washington, D.C. The new panel provides counsel to the HCFA Administrator under the Federal Advisory Committee Act to help strengthen and improve the National Medicare Education Program.

"Seniors and disabled Americans have more information available to them about the Medicare program than ever before — in print, on the phone, on the Internet or in their own community. From focus groups to feedback cards, they've told us what information works best for them," said HCFA Administrator Nancy-Ann DeParle. "This panel of independent experts represents a diverse mix of organizations that work with seniors, disabled persons, and the health care community who will advise HCFA about how to best reach beneficiaries about their Medicare benefits and choices. They will help us do even more to provide easy-to-use information to the 40 million Americans who rely on

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Selected Health Issues on the Web

http://newfederalism.urban.org/html/series_b/b4/anf_b4.html

Most Uninsured Children Are in Families Served by Government Programs (B04)
By Genevieve M. Kenney, Jennifer M. Haley and Frank Ullman

"The National School Lunch Program — serving families with about 4 million low-income uninsured children — appears to be a particularly efficient vehicle for identifying uninsured children who are eligible for Medicaid or CHIP coverage."

http://www.gao.gov/new.items/he00031.pdf

Medicare: Lessons Learned from HCFA's Implementation of Changes to Benefits
HEHS–00–31, 19 pp. Plus 2 Appendices (3 pp.) , January 25, 2000.

"Medicare, the federal health insurance program serving over 39 million elderly and disabled Americans, has undergone numerous changes as the Congress has expanded and modernized the program. The Health Care Financing Administration's (HCFA) implementation of these changes has sometimes created program vulnerabilities."

http://www.gao.gov/new.items/he00053t.pdf

Adverse Drug Events: Substantial Problem But Magnitude Uncertain
T–HEHS–00–53, 18 pp. February 1, 2000.

"In 1998, about 2.7 billion prescriptions were filled in the United States. Prescription drugs have great clinical benefits, but they also have risks. Although most health problems associated with the use of pharmaceuticals are relatively minor, serious Adverse Drug Events (ADEs) do occur and can lead to hospitalization, disability, or death." ◆

HEALTH watch

The *HCFA Health Watch* is published monthly, except when two issues are combined, by the Health Care Financing Administration (HCFA), to provide timely information on significant program issues and activities to its external customers.

MISSION

We assure health care security for beneficiaries.

VISION

In the stewardship of our programs, we lead the Nation's health care system toward improved health for all.

GOALS

• Protect and improve beneficiary health and satisfaction • Promote the fiscal integrity of HCFA programs • Purchase the best value health care for beneficiaries • Promote beneficiary and public understanding of HCFA and its programs • Foster excellence in the design and administration of HCFA's programs • Provide leadership in the broader public interest to improve health.

OBJECTIVES

Customer Service

• Improve beneficiary satisfaction with programs, services and care • Enhance beneficiary program protections • Increase the usefulness of communications with constituents, partners, and stakeholders • Ensure that programs and services respond to the health care needs of beneficiaries.

Quality of Care

• Improve health outcomes • Improve access to services for underserved and vulnerable beneficiary populations • Protect beneficiaries from substandard care.

Program Administration

• Build a high quality, customer-focused team • Enhance program safeguards • Maintain and improve HCFA's position as a prudent program administrator and an accountable steward of public funds • Increase public knowledge of the financing and delivery of health care • Improve HCFA's management of information systems/technology.

NANCY-ANN DEPARLE, *Administrator*

ELIZABETH CUSICK, *Director,*
Office of Communications &
Operations Support

HEALTH WATCH TEAM

JON BOOTH.....410/786-6577
JUSTIN DOWLING.....617/565-1261
WILLIAM KIDD.....Relay: 800/735-2258
410/786-8609
MILDRED REED.....202/690-8617
DAVID WRIGHT.....214/767-6346

You may browse past issues of the *HCFA Health Watch* at ***www.hcfa.gov/news/newsltrs/newsltr.htm***. Also, should you wish to make an address change or comment on an article, send your E-mail to ***healthwatch@hcfa.gov***.

Message from the Administrator

NANCY-ANN DEPARLE

AT HCFA WE HAVE BEGUN the new year with a high level of energy and commitment to meeting our goal of a more efficient agency. We are focused on making Medicare, Medicaid and the State Children's Health Insurance Program stronger and even more responsive to our beneficiaries and partners.

This is reflected in our budget request to the Congress for fiscal year 2001, which asks a 4.7 percent increase in discretionary funding for management of the agency. And it reflects our goals for this, the first year of the new millennium: further improve management and accountability; improve responsiveness to Congress and the public; enhance beneficiary focus; and develop strategies for the future.

One of our primary objectives within this framework is improving the public-private partnership that is the essence of HCFA. Many people don't realize that HCFA really is a public-private partnership. We are, in fact, the biggest insurance company in the country, but we operate with a staff of about 4,400 people.

We simply couldn't get the job done without the close partnership we have with the more than 50 contractors who, by law, process the Medicare claims and assist us in combating waste, fraud and abuse. But in recent years some of these contractors have been convicted of ripping off the Medicare program. That isn't right. We have to do better. And that is an area to which we will devote a good portion of those dollars we're requesting.

Continuing to fight waste, fraud and abuse in Medicare and Medicaid is another of my top priorities as administrator of HCFA. Our goal is to pay claims correctly the first time around, and this means paying the right amounts to providers for covered, reasonable and necessary services for eligible beneficiaries, as allowed by law. We are working with Congress to strengthen our comprehensive Program Integrity initiative.

We also will continue strengthening federal oversight of quality standards in 17,000 nursing homes around the country. We will be helping states, which survey and certify nursing homes for the federal government, to improve their nursing home inspection systems. Consumers can now get nursing home quality ratings at Nursing Home Compare on our Internet site, ***www.medicare.gov***, and we will make even more information available. And we are working with residents, their families and advocates, nursing homes and states, to reduce the incidence of bedsores, dehydration, and malnutrition.

Medicare was created in 1965. It has a proud history. And we are building a work-force that will keep it strong and fresh in the 21st century. HCFA has met the workload challenges of the Health Insurance Portability and Accountability Act, the Balanced Budget Act, and the Balanced Budget Refinement Act. But 35 percent of our current workforce, with valuable institutional knowledge, is eligible to retire within the next five years. We are working today to make the transition to the workforce of the future as smooth as possible and bring on the skills, talent and dedication that our beneficiaries deserve.

We are ready to face the challenges of a rapidly changing health care arena given adequate resources and the flexibility needed to further improve our business practices while carrying out our responsibilities to Americans who increasingly rely on Medicare for their health care. ◆

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Medicare for their health care coverage."

The Advisory Panel will meet quarterly to help HCFA:

• support the National Medicare Education Program, which provides information about Medicare to beneficiaries and those who help them make their health care decisions;

• enhance the federal government's effectiveness in informing Medicare consumers, including the appropriate use of public-private partnerships;

• expand access to Medicare information to vulnerable and underserved communities, including racial and ethnic minorities, through the National Medicare Education Program; and,

• assemble an information base of "best practices" for helping consumers evaluate health options and building a community infrastructure for information, counseling and assistance.

The Balanced Budget Act of 1997 established the Medicare+Choice program and directed HCFA to provide information and tools to help Medicare beneficiaries navigate their health plan choices, preventive benefits and the patient protections now available to them. The National Medicare Education Program includes expanded and updated print materials such as the *Medicare & You* handbook which was mailed to 33 million Medicare beneficiary households; a toll-free telephone line — 1-800-MEDICARE (1-800-633-4227) — and a beneficiary-oriented Internet web site — ***www.medicare.gov***, as well as a coordinated partnership program with more than 200 national and local organizations who work with Medicare beneficiaries.

Nominations to the Advisory Panel on Medicare Education on Feb. 15 were: Diane Archer, J.D., Executive Director Medicare Rights Center; Bruce E. Bradley, M.B.A., Director, Managed Care Plans, General Motors Corporation; Joyce Dubow, M.U.P., Senior Policy Advisor, Public Policy Institute, AARP; Elmer Huerta, M.D., M.P.H., Director, Cancer Risk and Assessment Center, Washington Hospital Center; Bonita Kallestad, M.S., Advocate, West Minnesota Legal Services; Steven B. Larsen, J.D., M.A., Maryland Insurance Commissioner, Maryland Insurance Administration; Brian W. Lindberg, M.M.H.S., Executive Director, Consumer Coalition for Quality Health Care; Heidi Margulis, B.A., Vice President, Government Affairs, Humana, Inc.; Patricia H. Neuman, Sc.D., Director, Medicare Policy Project, The Henry J. Kaiser Family Foundation; Elena V. Rios, M.D., M.S.P.H., President, National Hispanic Medical Association; Samuel J. Simmons, B.A., President and CEO, National Caucus and Center on Black Aged, Inc.; Nina M. (Myrl) Weinberg, M.A., President, National Health Council; and Edward W. Zesk, B.A., Executive Director, Aging 2000.

Through the formation of several new advisory committees, HCFA is building on the experience of national, independent experts to improve service to Medicare beneficiaries and health care providers. The Medicare Coverage Advisory Committee, which has its next meeting scheduled for early March, is part of the new Medicare administrative coverage process which relies on medical and scientific evidence to make national coverage decisions. HCFA is also establishing the Management Advisory Committee, one part of an initiative designed to increase HCFA's flexibility to operate as an efficient purchase of health care services while increasing accountability to beneficiaries and health care providers. This initiative was included in the President's FY 2000 budget and the committee's first meeting is planned for this spring. ◆

Calendar of Events

March 20	Deputy Administrator Michael Hash addresses the American Dietetic Association in Washington, D.C., on *The Outlook for Health Care, Especially Medicare, and HCFA's Response to the Recently Released Institute of Medicine Report on Nutrition Services for the Medicare Population.*
March 21	Administrator Nancy-Ann DeParle speaks at the HCFA Employer/Union Conference on Medicare+Choice Issues Impacting Medicare Retirees and Working Aged and Employer/Union Group Health Plans in Baltimore, MD., on *Medicare Retirees and Employer/Union Health Plans.*
	Deputy Administrator Hash addresses the American Society of Anesthesiologists in Washington, D.C., on *Medicare Policy Issues*
March 24	Administrator DeParle speaks, via satellite, to the Health Industry Manufacturer Association (HIMA) on *Medicare Reform Legislation.*
March 27	Deputy Hash addresses the National Association of Psychiatric Treatment Center for Children (NAPTCC) in Washington, D.C., on *The Politics of Accountability: Safety, Skills, Standards.*
March 29	Administrator DeParle speaks at the American Health Lawyers Association's Annual Institute on Medicare and Medicaid Payment Issues in Baltimore, MD., on *The Future of Medicare and Priorities as HCFA Administrator.*
April 7	Deputy Administrator Hash speaks at the RWJ Executive Nurse Fellows Program in Washington, D.C., on *Policy Issues: A View from the Administration.*

New Regulations/Notices

Medicare Program; Changes to the Hospital Inpatient Perspective Payment Systems and Fiscal Year 2000 Rates; Corrections [HCFA–1053–CN2] — Published 2/7. In rule document 00–126 beginning on page 1817 in the issue of Wednesday, January 12, 2000 make the following corrections: On page 1822, in the table:

a. In the 18th entry, the "GAF" listing should read "1.1301".

b. In the 19th entry, the "Wage Index" and "GAF" listings should respectively read "1.3784" and "1.2458".

Medicare Program; Medicare Inpatient Disproportionate Share Hospital Adjustment Calculation: Change in the Treatment of Certain Medicaid Patient Days in States with 1115 Expansion Waivers [HCFA–1124–IFC] — Published 1/20. This interim final rule with comment period implements a change to the Medicare DSH adjustment calculation policy in reference to section 1115 expansion waiver days. This rule sets forth the criteria to use in calculating the Medicare DSH adjustment for hospitals for purposes of payment under the prospective payment system. These regulations are applicable to discharges occurring on or after January 20, 2000. Comments will be considered if HCFA receives them at the appropriate address no later than 4 p.m. on March 20, 2000. Mail an original and 3 copies of written comments to the following address: Health Care Financing Administration, Department of Health and Human Services, Attention: HCFA–1124–IFC, P.O. Box 8010, Baltimore, MD 21244-8010.

Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems and Fiscal Year 2000 Rates; Corrections [HCFA–1053–CN2] — Published 1/12. In the July 30, 1999 issue of the *Federal Register* (64 FR 41400), HCFA published a final rule that revised the Medicare hospital inpatient prospective payment systems for operating costs and capital-related costs to implement necessary changes arising from HCFA's continuing experience with the system. This document corrects errors made in that document. Effective date is October 1, 1999.

Medicare and Medicaid Programs; Quarterly Listing of Program Issuances — Second Quarter, 1999 [HCFA–9005–N] — Published 1/10. This notice lists HCFA manual instructions, substantive and interpretive regulations, and other *Federal Register* notices that were published during April–June 1999, relating to the Medicare and Medicaid programs. This notice also identifies certain devices with investigational device exemption numbers approved by the Food and Drug Administration that potentially may be covered under Medicare.

Medicare Program; Notice of the Solicitation of Proposals to Expand the Medicare Lifestyle Modification Program Demonstration [HCFA–3028–N] — Published 1/5. This notice announces HCFA's solicitation for proposals to expand the Medicare Lifestyle Modification Program Demonstration to one additional, national multisite cardiovascular lifestyle modification program. The purpose of this demonstration is to test the feasibility and cost-effectiveness of providing payment for cardiovascular lifestyle modification program services to Medicare beneficiaries. This demonstration will test proven and intensive programs designed to reduce or reverse the progression of cardiovascular disease of patients at risk for invasive treatment procedures. The expansion will allow for a comparison between two different lifestyle modification models across several factors, including price. The demonstration began October 1, 1999 and will be conducted over a 4-year period. Currently, the demonstration is being implemented at several sites subscribing to one multisite lifestyle modification program model. Enrollment for each multisite program is limited to 1,800 Part B eligible Medicare beneficiaries who satisfy specific clinical admission criteria. Letters of Intent must be received by the HCFA project officer by February 4, 2000. Proposals (an original and 5 copies), each with a copy of the timely Letter of Intent, must be received by the project officer by April 4, 2000. Send Letters of Intent and Proposals to Department of Health and Human Services, Health Care Financing Administration, Attention: Armen Thoumaian, Ph.D., Project Officer, Medicare Lifestyle Modification Program Demonstration, Office of Clinical Standards and Quality, Mail Stop: S2–02–01, 7500 Security Boulevard, Baltimore, MD 21244-1850. ◆

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Health Care Financing Administration
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